



**H.R. 2642 - Making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2008, and for other purposes**

**Executive Summary**

The House will consider H.R. 2642 – Military Construction and Veterans Affairs Appropriations Act, 2008, on June 15, 2007, pursuant to an open rule. The bill provides \$64.7 billion in overall discretionary spending, which is an increase of 30% over the last year's bill.

The bill contains funding for two entities: 1) military construction for housing and buildings, and 2) the Department of Veterans Affairs. By funding military construction, this bill provides for the facilities needed to house and train military personnel abroad and at home. The bill also provides funds for the medical care, benefits, and other important services the Department of Veterans Affairs provides for our honorable veterans.

The Democrats' overall 302(b) allocation levels for FY2008 represents an \$83 billion increase over the 2007 enacted budget levels.

H.R. 2642 and the accompanying committee report do not contain earmarks at this point. According to the committee report, earmarks will be considered comprehensively after all of the requests have been properly reviewed. Chairman Obey (D-WI) has said the Appropriations Committee will not make earmarks public until immediately before the August recess. The earmarks will not actually be inserted into the legislation until the House and Senate conference negotiations – long after House members have voted on H.R. 2642. The Democrat strategy does not allow earmarks to be challenged on the floor and greatly limits transparency in the appropriations process.

**Floor Situation**

H.R. 2642 is being considered on the floor under an open rule. The rule:

- Provides one hour of general debate equally divided and controlled by the Chairman and Ranking Member of the Committee on Appropriations.
- Waives all points of order against its consideration of the bill except for clauses 9 (earmarks) and 10 (PAYGO) of Rule XXI.

- During amendment consideration, the Chairman may give priority in recognition to Members who pre-printed his or her amendment(s).
- Waives points of order against provisions that fail to comply with clause 2 of rule XXI.

*\*Note: This provision waives the House Rule that prohibits authorizing language in an appropriations bill. All Republican Ranking Members signed a letter in object to this tactic.*

- Provides one motion to recommit with or without instructions.
- Provides that, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to a time designated by the Speaker.

This legislation was introduced by Representative Chet Edwards (D-TX) on June 11, 2007. The bill was ordered to be reported from the Committee on Appropriations, by a recorded vote of 56-0, on June 6, 2007.

The bill is expected to be considered on the floor on June 15, 2007.

### **Summary**

Overall funding levels:

<b>FY 2008 Proposal</b>	<b>President's Request</b>	<b>FY 2007 Enacted</b>
\$109,231,766,000	\$105,231,766,000	\$91,035,349,000

The bill provides for \$44,487,250,000 in mandatory spending and \$64,744,516,000 in discretionary spending (302(b)).

### **Title I – Department of Defense**

	<b>FY 2008 Proposal</b>	<b>President's Request</b>	<b>FY 2007 Enacted</b>
Total	\$21.4 billion	\$21.2 billion	\$21.4 billion
Army	\$4.1 billion	\$4 billion	\$2.0 billion
Navy/Marine Corps	\$2.1 billion	\$2.1 billion	\$1.1 billion
Air Force	\$922 million	\$912.1 million	\$1 billion
Defense-Wide	\$1.8 billion	\$1.8 billion	\$1 billion
Army National Guard	\$439 million	\$404 million	\$470 million
Air National Guard	\$96 million	\$86 million	\$126 million
Army Reserve	\$155 million	\$120 million	\$166 million
Navy Reserve	\$69 million	\$59 million	\$43 million

Air Force Reserve	\$37 million	\$27 million	\$45 million
NATO SIP	\$201 million	\$201 million	\$205 million
Family Housing Total	\$2.9 billion	\$2.9 billion	\$4 billion
Chem. Demil. Construc.	\$86 million	\$86 million	\$131 million
BRAC Account 1990	\$271 million	\$221 million	\$252 million
BRAC Account 2005	\$8.2 billion	\$8.2 billion	\$2.5 billion

- **BRAC Account 1990:** The BRAC Account 1990 is funded at \$50 million above the President's request and \$18 million above the FY 2007 level. In this bill, the Committee on Appropriations requires that the Department of Defense seek a prior approval for reprogramming when the amount to be obligated for a site or closure package is greater than 20% or \$2 million (which ever is greater) of the amount programmed for FY2008.
- **BRAC Account 2005:** The BRAC Account 2005 is funded at the President's request and \$5.7 billion more than FY2007. The appropriations under this account will eventually assist 70,000 troops and their families re-station to the United States from overseas.

The Committee directs the Secretary of Defense to report back to the Committee on the application of DOD facilities pricing guides and area cost factors to BRAC business plans.

\*Note: \$8.4 billion is appropriated for BRAC accounts in this bill.

- **Missile Defense:** Funds that are appropriated for the NATO Security Investment Program (SIP) may not be used for missile defense studies.
- **Increase in Army and Marine Corps:** The bill supports the Administration's proposal to increase the Army by 65,000 soldiers, the Marine Corps by 27,000 marines, and the Guard and Reserve by 9,000 reservists within the next 5 years.
- **Projects:** The Committee "provides no recommendation at this time for specific projects contained in either the Administration's budget or proposed by a Member of Congress."

#### **Legislative Provisions:**

- Permits funds in this title to be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads that are certified as important to national defense by the Secretary of Defense.

- Prohibits the use of funds in this title for the construction of new bases in the United States for which specific appropriations have not been made.
- Prohibits the procurement of steel unless American manufacturers have competed for the contracted.
- Prohibits the use of funds in this title for the creation of new installations overseas unless the House and Senate Committee are notified of the plans.
- This title requires that not more than 20% of the funds of this title may be obligated for the last 2 months of FY2008.
- The bill requires the DOD to report to Congress by February 15, 2008, on the actions the DOD is taking to encourage other member nations of NATO, Japan, Korea, and allies bordering the Arabian Sea to assume a greater role in the common defense of such nations and the United States.

## **Title II – Department of Veterans Affairs**

	<b>FY 2008 Proposal</b>	<b>President's Request</b>	<b>FY 2007 Enacted</b>
Total	\$87.7 billion	\$83.9 billion	\$77.8 billion
Compensation/Pensions*	\$41 billion	\$41 billion	\$38 billion
Readjustment Benefits*	\$3.3 billion	\$3.3 billion	\$3.2 billion
Insurance/indemnities*	\$41 million	\$41 million	\$50 million
Rehab Loans Program	\$71,000	\$71,000	\$53,000
Native American Vet Housing	\$628,000	\$628,000	\$584,000

*\*Note: Denotes mandatory spending*

### Medical Services

	<b>FY 2008 Proposal</b>	<b>President's Request</b>	<b>FY 2007 Enacted</b>
Medical Services	\$28.9 billion	\$27.1 billion	\$25.5 billion
Medical Administration	\$3.6 billion	\$3.4 billion	\$3.2 billion
Medical Facilities	\$4.1 billion	\$3.6 billion	\$3.6 billion
Medical/Prosthetic Research	\$480 million	\$411 million	\$412 million

### Departmental Administration

	<b>FY 2008 Proposal</b>	<b>President's Request</b>	<b>FY 2007 Enacted</b>
General Operating Expenses	\$1.6 billion	\$1.5 billion	\$1.5 billion

IT Systems	\$1.9 billion	\$1.9 billion	\$1.2 billion
National Cemetery Admin	\$170 million	\$166 million	\$161 million
Office of Inspector Gen.	\$77 million	\$73 million	\$71 million
Major Construction	\$1.4 billion	\$727 million	\$399 million
Minor Construction	\$615 million	\$233 million	\$199 million
State Extended Care Facilities	\$165 million	\$85 million	\$85 million
State Veterans Cemeteries	\$37 million	\$32 million	\$32 million

- **Health Programs:** The bill appropriates \$37.1 billion towards veterans' health programs, which is \$2.5 billion (7%) greater than the president's request. This includes:
  - \$28.9 billion for veterans' medical services; and,
  - \$4.1 billion for medical facilities.
- **Interoperability of Medical Records:** This title permits the VA to transfer a minimum of \$15 million to the DOD/VA Health Care Sharing Incentive Fund. By the direction of the Committee, these funds are obliged for joint programs to improve the care of veterans and requires the VA's electronic medical records to be interoperable with the DOD's medical records system.
- **Benefits Claims Processors:** The bill provides for an additional 1,000 benefits claims processors for the VA.
- **Office of the Inspector General:** The title allows for additional 50 personnel for the Office of Inspector General in FY2008.
- **COLA:** The cost-of-living adjustment, which is based on the change in the Consumer Price Index, is currently estimated at 1.4%. This title provides for this 1.4% COLA, to all compensation beneficiaries, including dependency and indemnity compensation for spouses and children. The increase will take effect on December 1, 2007, and it is estimated to cost \$348,421,000 for FY2008.
- **Psychiatric Care:** Prohibits a decrease in inpatient beds at a facility with a waiting list for psychiatric care.
- **Projects:** The Committee "provides no recommendation at this time for specific projects contained in either the Administration's budget or proposed by a Member of Congress." Since the first appropriation bill for Military Construction in 1958, this is the first time that a bill does not specify how the appropriations will be sent.

### **Title III – Related Agencies**

	<b>FY 2008 Proposal</b>	<b>President's Request</b>	<b>FY 2007 Enacted</b>
American Battle Monuments Commission	\$54 million	\$53 million	\$42 million
US Court of Appeals for Veterans Claims	\$21 million	\$21 million	\$20 million
Armed Forces Retirement Home	\$57 million	\$61 million	\$57 million
DOD-Civil Cemeterial Expenses, Army	\$31 million	\$27 million	\$30 million

### **Title IV – General Provisions**

Prohibits any appropriation contained in this bill from being obliged to a fiscal year other than FY2008, unless otherwise specified.

- If a Federal entity or official knows that that funds appropriated in this Act are not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandate, then the funds may not be obligated.
- The bill encourages all departments and agencies funded by this Act to expand their use of E-Commerce technologies and procedures.

### **Amendments**

Any amendments preprinted in the Congressional Record on Thursday, June 14, will be summarized and place on the internet if/when they are offered. During amendment debate of H.R. 2642, please visit our [website which will continually update amendments as they are offered.](#)

### **Amendments Pre-Printed in the Congressional Record on Tuesday, June 12**

**Rep. Garrett (R-NJ):** The amendment provides an additional \$10 million for the construction of state extended care facilities.

**Rep. Blumenauer (D-OR):** The amendment increases the BRAC Account 1990 by \$50 million, and decreases the BRAC Account 2005 by \$201 million.

**Rep. Hall (D-NY):** The amendment prohibits funds from being used to provide to any officer of the Department of Veterans Affairs, who is appointed by the President, a performance award or a performance-based cash award.

**Rep. Capito (R-WV):** The amendment withholds \$10 million in funding for VA information technology until the secretary submits a report to Congress outlining plans to have interoperability between VA and DOD for electronic medical records by 2010.

**Rep. Capito (R-WV):** The amendment sets up a pilot project under VA for training of traumatic brain injury case managers in rural areas and instructs them to coordinate care with local providers so the veteran may stay close to home. The VA will reimburse the care given by private providers.

#### **Amendments Pre-Printed in the Congressional Record on Wednesday, June 13**

**Rep. Drake (R-VA):** The amendment requires the Secretary of Veterans Affairs to report to Congress on the status of the number of pending disability benefit claims and the actions taken by the Secretary to reduce processing time for veterans' disability claims.

**Rep. Conaway (R-TX):** The amendment states that it is the Sense of the House of Representatives that any reduction in the amount appropriated by this Act achieved as a result of amendments adopted by the House should be dedicated to deficit reduction.

**Rep. Franks (R-AZ):** Amendment strikes Section 125, which prohibits any funding from North Atlantic Treaty Organization Security Investment Program for FY2008 or before FY2008 for that program from being obligated or expended for the conduct of studies of missile defense.

#### **Amendments Pre-Printed in the Congressional Record on Thursday, June 14**

**Rep. Capito (R-WV):** Requires the \$10 million of the amount appropriated for general operating expenses cannot be obligated until the Secretary of Veterans Affairs submits a report to the Committee on Appropriations and the Committee on Veterans Affairs outlining the progress and plan for implementation of the Office of Rural Health within the Office of Under Secretary for Veterans Health, which shall be fully implemented by January 1, 2008

**Rep. Capito (R-WV):** Requires the \$10 million of the amount appropriated for information technology cannot be obligated or expended until the Secretary of Veterans Affairs submits to the House of Representatives an executable plan, to be implemented not later than January 1, 2010, for maintaining medical records that are interoperable between the Department of Veterans Affairs and the Department of Defense.

**Rep. Donnelly (D-IN):** Requires that that within 30 days the Secretary of Veterans Affairs shall submit to Congress a report explaining what is being done to implement the eight open recommendations made to the Secretary by the GAO for improving the

timeliness, accuracy and consistency of disability claims processing by the Department of Veterans Affairs, as recorded in a letter dated May 25, 2007, sent by the GAO to the President's Commission on Care for America's Returning Wounded Warrior (GAO-07-906R).

**Rep. Blackburn (R-TN):** Directs departments and agencies (that are funded by this bill) to expand their use of "E-Commerce" technologies and procedures (language currently in the bill "recommends" to expand their use of "E-Commerce" technologies and procedures).

**Rep. Pence (R-IN):** Prohibits funds appropriated in this bill for construction of a structure or purchase of equipment for the purpose of performing abortions.

**Rep. Jackson-Lee (D-TX):** A summary will be made available on [www.gop.gov](http://www.gop.gov)

**Rep. Jackson-Lee (D-TX):** Requires the Secretary of Veterans Affairs to increase the number of medical centers specializing in post-traumatic stress disorder in underserved urban areas. At least 1 of the existing health care institutions used by the Secretary shall be located in a HUBzone, located in a state that has sustained more than 5 percent of the total casualties suffered during Operation Enduring Freedom and Operation Iraqi Freedom as of May 1, 2007, and have at least 20 years of experience in counseling.

**Rep. Price (R-OH):** The amendment reduces \$50 million from the 1990 BRAC account to reflect the President's request and transfers \$22 million of that to Veterans' health care. Leaves the bill outlay neutral and reduces budget authority by \$28 million.

### **Additional Views**

"If Congress increases VA funding above the President's request and does not offset this increase with spending reductions in other bills, the President will veto any of the other bills that exceed his request until Congress demonstrates a path to reach the President's topline of \$933 billion." SAP released on June 13, 2007.

### **Cost**

This bill has been scored by the Congressional Budget Office to be within the 302(b) allocations.

### **Staff Contact**

For questions or further information contact Chris Vieson at (202) 226-2302.